

IN THE MATTER OF FACT-FINDING

BETWEEN )  
 )  
CITY OF COUNCIL BLUFFS, IOWA, )  
 )  
PUBLIC EMPLOYER, )  
AND )  
 )  
COUNCIL BLUFFS ASSOCIATION OF )  
FIREFIGHTERS LOCAL 15, )  
 )  
EMPLOYEE ORGANIZATION. )

Hugh J. Perry, Fact-finder

Recommendations issued  
February 2, 2005

RECEIVED  
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PUBLIC EMPLOYMENT  
RELATIONS BOARD

APPEARANCES:

FOR CITY OF COUNCIL BLUFFS:  
James Brick, Attorney

FOR FIREFIGHTERS LOCAL 15:  
Rick Scofield, Iowa Professional Firefighters

BACKGROUND

Firefighters Local 15 represents a bargaining unit of 97 firefighters in the City of Council Bluffs, including 26 Captains, 23 Engineers and 48 Firefighter/Firefighter Paramedics. The City of Council Bluffs, population 58,268 is Iowa's seventh largest city. There are 433 total city employees and 3 other bargaining units, the Police, AFSCME (blue collar) and CWA (clerical). Negotiations with all of these bargaining units have been completed for the contracts to commence July 1, 2005. The parties agree on the following Iowa cities as similar to Council Bluffs for the purposes of making comparisons under the Public Employment Relations Act: Cedar Rapids, Davenport, Sioux City, Waterloo, Iowa City, Dubuque, Ames, Cedar Falls, Bettendorf, Mason City and Clinton. The City also includes, over the objection of the Association, Burlington and West Des Moines. The Association considers Burlington (population 26,839) too small for comparison purposes and notes that West Des Moines has not previously used for comparison purposes and includes both volunteer and professional firefighters which makes it difficult to compare wages and benefits. The parties are concluding a one year contract (July 1, 2004 to June 30, 2005). The parties arbitrated the issues of Wages, Insurance and Transfer procedures last year. This bargaining year the parties have resolved all issues except for those which are the subject of these recommendations. The parties proceed under statutory fact-finding. A hearing was held on January 18, 2005 at the Council Bluffs City Hall.

IMPASSE ISSUES

The Impasse Issues before the fact-finder are: **Sick Leave (Article 15), Insurance (Article**

19), Longevity (Article 22), Wages (Article 32), Transfer Procedure (Article 35), Pay Flex Cafeteria Plan 125 (New Article 36), Squad Stipend (New Article), and Post Employment Health Plan (PEHP)

## CURRENT CONTRACT

**Sick Leave:** Currently employees accumulate sick leave at the rate of 12 hours per month. Unused sick leave can be carried over to succeeding years to a maximum of 1440 hours. Employees qualify for a perfect attendance bonus pay (12 hours at the 53 hour rate) for each calendar quarter they record perfect attendance (exclusive of absence due to on the job injury, jury duty and immediate family funeral leave).

**Insurance:** The City has a self insured health insurance program for its employees. Members of this bargaining unit enjoy single and family health, dental and optical insurance. There is a preferred provider component (PPO) component to the plan which reflects lower hospital co-insurance for those employees using it (90% vs. 80%). Maximum annual deductibles are \$100 per person and \$300 for family. Maximum annual out of pocket is \$1,000 for employee and \$2,000 for family. The current premium cost to these employees is \$10.00 per month for employee insurance and \$24.00 per month for those employees taking family insurance. (Employees hired after July 1, 2004 are required to pay \$56.00 per month for employee and family insurance. There are no employees currently in this category.) The City pays 100% of the premium for dental and eye care insurance for employees and their families. The current cost to the City for the insurance, including health, dental and optical is \$414.05 per month for an employee and \$1,220.27 per month for an employee and his/her dependents. It is projected that the cost of this insurance will increase by 20% for the next contract.

**Longevity:** The contract provides for longevity pay as follows:

After 5 years of continuous service.....	\$9.23 bi-weekly
After 10 years of continuous service.....	\$18.46 bi-weekly
After 14 years of continuous service.....	\$25.39 bi-weekly
After 18 years of continuous service.....	\$30.00 bi-weekly
After 22 years of continuous service.....	\$34.62 bi-weekly
After 26 years of continuous service.....	\$39.24 bi-weekly

**Wages:** The parties have a wage schedule that provides for as many as 12 steps. Most Firefighters work 56 hour weeks. There are separate schedules for Firefighters without medical certification, Firefighters with medical certification, Firefighter/Paramedics, Fire Engineers and Fire Captains. Certifications include Emergency Medical Training Basic (EMTB) and Emergency Medical Training Paramedic (EMTP). Pay ranges from a beginning Firefighter Grade 1 (without certification) who earns \$11.71 per hour or \$32,387.75 per year to a top Firefighter without certification at \$15.34 per hour or \$42,442.52 per year. A starting Firefighter with EMTB Certification is paid \$12.12 per hour or \$33,521.27 per year and can attain top pay of \$15.91 per hour or \$44,011.91 per year. A starting

Firefighter EMTP is paid \$12.54 per hour or \$34,694.47 annually and can reach a maximum of \$16.46 per hour or \$45,552.07 annually. An Engineer without certification starts at \$13.89 per hour or \$38,422.59 per year and with EMTP certification can reach a maximum of \$17.62 per hour or \$48,740.71 per year. A fire captain starts at \$15.14 per hour \$41,880.58 per year and can attain a maximum wage of \$19.20 per hour or \$53,127.33 per year. Employees designated part of the department's hazmat team are paid a stipend of \$500.00 per year.

**Transfer Procedures:** The current contract does not have a Transfer Article.

**Pay Flex Cafeteria Plan 125:** The current contract does not contain a pay flex cafeteria plan 125.

**Squad Stipend:** The current contract does not contain a provision for Squad Stipends.

**Post Employment Health Plan (PEHP):** The current contract does not contain a provision for a Post Employment Health Plan (PEHP).

## **PROPOSALS OF THE PARTIES**

### **CITY PROPOSALS:**

The **City's** arguments are focused on costs and internal and external comparability. The City calculates that its entire package represents an increased cost of \$563,251, a 7.6% increase. This assumes that the cost of health insurance will increase by 20%. The City is self insured so it must collect enough to pay the claims and costs of administration. In recent years, this has not happened. Actual costs have significantly exceeded the accrual rate which has required the City to use other funds, including gaming funds, to keep the insurance fund solvent. The City notes that its other bargaining units have settled, some with multi-year contracts. All other bargaining units will be required to pay 5% of the health insurance premium (the City will continue to pay 100% of the single and family dental and optical insurance). The City notes that under its proposal the average bargaining unit employee's wage and benefit costs will be \$82,299. Under the Union's proposal that figure would be \$86,689. This compares to a current wage and benefit cost per employee of \$76,380. The City costs the Union's proposal at \$1,000,273, a 13.5% increase over current wages and benefits.

**Sick Leave:** The City proposes that the current sick leave article including accrual rate remain unchanged and that the Association proposal to convert unused sick leave to cash for placement into a Post Employment Health Plan not be implemented. The City contends that this benefit for these employees is equal to or better than that enjoyed by other city employees. The City notes that no sick leave benefit in the City has cash value and that it does not offer a PEHP to any other employee group. External comparability data suggests that these employees sick leave benefit is within the norm of that provided by other comparable cities.

**Insurance:** The City proposes that the employees pay 5% toward the premium cost of their insurance (health, dental and optical) with the City paying 95%. The City will allow the employees to pay their

share utilizing a section 125 Premium Only Plan established by the City. The City notes that this benefit has dramatically escalated in cost in recent years, from \$4,020 annual cost per employee in 1998 to over \$12,000 per employee today. Costs are projected to increase an additional 20% for the next contract. The City's current contribution amounts to 98% of the health, dental and optical insurance premiums, an employee's is 2%. The City notes that all other city employees are presently or will be paying 5% of the premium cost that it proposes for these employees. The City argues that these employees need to take more of an ownership in their insurance. While last year's arbitration required these employees to contribute more toward their health insurance, such increases are insufficient to offset the dramatically escalating cost of this benefit.

**Longevity:** The City proposes that the current longevity article remain unchanged. It points to the longevity plans of the other city employees and notes that but for some minor exceptions all of its employees are on the same longevity plan. It notes that some comparable cities don't offer longevity plans and of those that do, Council Bluffs plan is near or slightly below the average.

**Wages:** The City proposes a 2% general wage increase. It cites other settlements within the city; Police, 3% (1<sup>st</sup> year of 3 year contract), CWA, 2.5% (2<sup>nd</sup> year of 2 year agreement), AFSCME, 1.5%/1.5% (1<sup>st</sup> year of 2 year contract). Other city supervisory employees and non union employees will receive a 2.5% wage increase effective July 1, 2005. A number of the other cities are still in negotiations. Some cities have multi-year contracts. Sioux City is in the 3<sup>rd</sup> year of a 4 year contract and will adjust wages 2.25/2.5%, Waterloo is in the 4<sup>th</sup> year of a 4 year contract and will adjust wages by 3.5%, Iowa City will increase wages by 2.75% (2<sup>nd</sup> year of 2 year contract), Ames will increase wages by 3% (2<sup>nd</sup> year of 2 year contract), Bettendorf will provide an increase of 3.5% (3<sup>rd</sup> year of 3 year contract), Clinton will increase wages by 2.5% (2<sup>nd</sup> year of 2 year contract), Burlington will adjust wages by 0-4.5% (3<sup>rd</sup> year of 3 year contract). The average settlements of these Cities with multi-year agreements is 3.2%. The City compares its firefighters with EMTB certification, combining wages with longevity with similar employees in the other comparable cities and notes that Council Bluffs employees are compensated slightly less than average for entry (-1.26%) and top (3.56%) and are above average at the 6 year (+2.63%) year and 10 year (+.08%) benchmarks. Similar comparisons for the Firefighter/Paramedic shows Council Bluffs employees slightly below average (-1.73%) at the entry (-1.73%) and top levels (-1.72%). They are above average (+4.38%) at the 6 year benchmark. Making comparisons after combining wages and longevity for the Engineers with EMTB showed Council Bluffs employees above average in all benchmarks. The same is true when comparing company officers with EMTB.

**Transfer Procedures:** The City resists the inclusion of an article, Transfer Procedures, into the parties' contract. The City notes that only 5 of its 13 comparable cities have a requirement that vacancies be posted and only one (Cedar Rapids) has a requirement that assignments be based on seniority. The City points out that none of the other employees in the City have a transfer procedure based solely on seniority. The City resists giving up this management right.

**Pay Flex Cafeteria Plan 125:** The City would agree to allowing these employees to participate in the City's Section 125 Premium Only plan contingent upon employees paying a percentage of the

health insurance premiums as proposed by the City.

**Squad Stipend:** The City does not agree to the inclusion of a Squad Stipend proposed by the Association. It points out that only one City in its group pays a stipend for a medical unit. It notes that Council Bluffs already pays extra for EMTB and EMTP certification, the highest and second highest differential among the comparable cities. Several don't pay extra for this training.

**Post Employment Health Plan (PEHP):** The City contends that the PEHP proposal of the Association is an illegal subject of bargaining as it constitutes a retirement plan within the meaning of Section 20.9 of the PERA and resists its inclusion in the contract. Further, the City notes that no other city employees enjoy such a plan and that such plans are not offered by the vast majority of the comparable cities.

### **ASSOCIATION PROPOSALS:**

The **Association** contends that its proposals would provide these employees with more equitable wages, reasonable insurance, a sick leave policy that will help the City cure its problem with excessive sick leave cost and other programs that will allow the City to better retain its fire employees. (The Association notes that in the past a number of employees have left Council Bluffs for more lucrative employment in Omaha.) The Association contends that its comparability grouping of the 5 Iowa cities immediately larger in size than Council Bluffs and the 6 immediately smaller in population is a more valid grouping than the City's which includes Burlington (too small) and West Des Moines which has not been previously used by the parties and includes both professional and volunteer firefighters.

**Sick Leave:** The Association proposes that as of June 30, 2002 all permanent full time employees will be credited with 1140 hours of sick leave and that effective July 1, 2005 employees will accrue sick leave at the rate of 24 hours per month worked. Unused sick leave will be carried over from one year to the next to a maximum of 1440 hours. Accumulated sick leave in excess of this amount will be converted to 25% of the employee's hourly rate and shall be placed into the Nationwide's PHEP plan. The Association's comparability data indicated that the average monthly accumulation of sick leave was 25.845 hours compared to 12 hours in Council Bluffs. It urged that its proposal would serve as a disincentive to use sick leave and save the City sick leave costs.

**Insurance:** The Association proposes that the current insurance plan and required employee contribution toward health insurance continue unchanged. It notes that 80% of the bargaining unit members take family insurance. The Association notes that last year, the result of arbitration, these employees were required to pay more toward their health insurance premiums. Further, new employees are required to pay \$56/month toward the cost of health insurance. The Association noted that employee cost in the known comparable cities has either remained the same or decreased this bargaining year. It noted that these employees are already paying a higher percentage of their premiums than employees in comparable cities for both single and family coverage. The Association noted that the current contributions \$10.00/mo. single and \$24.00/month for family insurance would

increase to \$28.59/month and \$85.83/month under the City's proposal or \$63,372.00 in additional costs to these employees. The Association contends that such increases in insurance cost to these employees is not reasonable.

**Longevity:** The Association proposes that the current longevity plan be changed as follows:

After 5 years of continuous service.....	\$10.00 bi-weekly
After 10 years of continuous service.....	\$20.00 bi-weekly
After 14 years of continuous service.....	\$30.00 bi-weekly
After 18 years of continuous service.....	\$40.00 bi-weekly
After 22 years of continuous service.....	\$50.00 bi-weekly
After 26 years of continuous service.....	\$60.00 bi-weekly

The Association contends that this longevity proposal is very modest and reasonable. Of those cities which have a longevity plan Council Bluffs firefighters fall below the average by over 30% in each benchmark, starting monthly pay, top monthly pay and top annual salary.

**Wages:** The Association proposes that effective July 1, 2005 Firefighters receive a 3.5% wage increase, Engineers a 5.5% wage increase and Captains a 7.5% wage increase. The Association contends that its employees are generally compensated below average when compared with firefighters in the comparable cities and that its Engineers and Captains fare even worse. The Association contends that Council Bluffs has lost firefighters to other departments, especially Omaha. It presented data indicating that starting firefighters in Council Bluffs with no certification are compensated at 4% or \$1,187.83 below average. A top firefighter with no certification in Council Bluffs is paid 6% or \$2,939.00 below average. A starting firefighter EMTB is paid 5% or \$1,888.17 below average and a top firefighter EMTB is paid 5% or \$2,500.50 below average. A starting firefighter paramedic in Council Bluffs is paid 6% or \$2,170.25 below average and a top firefighter paramedic is paid 5% or \$2,164.88 below average. A starting engineer without certification starts at 6% or \$2,443.40 below average in Council Bluffs and a top engineer is paid 6% or \$2,657.80 below average. A starting Engineer EMTB is paid 4% or \$1,763.50 below average in Council Bluffs and a top engineer EMTB is paid 5% or \$2,299.50 below average. A starting engineer paramedic is paid 8% or \$3,178.40 below average and a top engineer paramedic is paid 2% or \$838.40 below average. A starting Captain with no certification is paid 14% or \$6,586.56 below average and a top Captain with no certification is paid \$5,256.89 or 10% below average. A starting Captain EMTB is paid 12% or \$5,514.00 below average and a top Captain EMTB is paid 5% or \$2,540.83 below average. A starting Captain paramedic is paid 11% or \$5,115.80 below average and a top Captain paramedic is paid 3% or \$1,517.80 below average. The Association contends that these numbers justify its wage proposal with its higher increases proposed for Engineers and Captains.

**Transfer Procedures:** The Association proposes language on Transfer Procedures which is attached. In support of this proposal the Association points to last years arbitration where it was suggested that the parties were very close in agreeing to a Transfer proposal and were encouraged to further attempt to negotiate the same. The Association contends that the language it proposes is pretty much the

current practice with the exception of when an employee is forced into a 40 hour position. The Association proposes that this shouldn't happen to an employee more than once.

**Pay Flex Cafeteria Plan 125:** The Association proposes that the City establish in accordance with IRS regulations a tax sheltered benefit for health insurance premiums, and non-reimbursed medical or dependent care expenses.

**Squad Stipend:** The Association proposes that employees assigned to drive the Medic Units receive \$5.00 per shift and that employees assigned to be the paramedic on the Medic Units receive \$10.00 per shift. This compensation would be in addition to the employee's regular pay. The Association contends that this would be reasonable compensation for added responsibility for these employees at very modest cost to the City (\$5,475.00/year).

**Post Employment Health Plan (PEHP):** The Association's proposal for a Post Employment Health Plan (PEHP) is attached. The Association contends that this proposal would assist in the containment of sick leave costs to the City while benefitting its employees, essentially a win/win situation.

## DISCUSSION AND RECOMMENDATIONS

As in previous years, it appears that health insurance is the engine that drives this dispute. I have little doubt that but for this issue these parties would have settled their contractual differences. There is some difference in the parties comparability data, but it's not clear that such differences have a great impact on this dispute. In fashioning these recommendations, I have considered past bargaining, comparability of wages and benefits of these firefighters with those in other comparable Iowa cities, the interests and welfare of the public, the ability of the City to make economic adjustments and its power to levy taxes and appropriate funds. Internal comparability, the comparison of the wages and benefits of these employees with those of other employees in the City of Council Bluffs, has also been considered.

**Sick Leave** - The data indicates that these employees enjoy a sick leave benefit that is similar to that enjoyed by most other city employees. It is somewhat below the average provided by other comparable cities. The Association is proposing a sick leave which includes a doubling of the rate of accrual and a payout upon maximum accrual to a Post Employment Health Plan yet to be established. The City contends that such a PEHP is an illegal or permissive subject of bargaining. I recommend that the current sick leave provision continue unchanged.

**Insurance** - This benefit has dramatically increased in cost over the past several years. It is projected to increase another 20% for the next contract. The City currently pays over \$12,000 per employee per year for this insurance, 97-98% of the cost of this benefit. Through negotiations, other city employees will all be paying 5% of the premium cost of their health insurance. The fire employees currently pay \$10.00/month for single insurance and \$24.00/month for the family benefit. Newly hired employees are required to pay \$56.00 per month although there are no employees currently

paying this amount. I am persuaded that the City's proposal to require that these employees pay 5% of the insurance premium has merit. I recommend that the City pay 95% of the health insurance benefit and the employees pay 5%. This recommendation includes only health insurance. I recommend that the City continue paying the full cost of optical and dental insurance for these employees and their families. Further it is recommended that the City implement a Section 125 Premium Only Plan for these employees and that the employees' required insurance contribution be based on previous year's accrual rate (the same as is done with other city employees).

**Longevity** - These employees have a longevity plan which is nearly identical to that provided other city employees. Some other comparable cities don't provide a longevity plan. The City argues that the longevity plan should not be changed. The Association proposes to increase the longevity payments, especially at the higher end. It appears that this plan has been negotiated in the past to stay consistent with longevity provided other city employees. I don't recommend a change in this provision.

**Wages** - The Association has for the past couple of bargaining years attempted to address what it contends is a disparity among the more senior employees in the unit, the Engineers and Captains. It proposes a 3.5% increase for the firefighters and a 5.5% increase for the Engineers and a 7.5% increase for the Captains. The City proposes a 2% increase for all of these employees. The data suggests that most other comparable cities bargaining for a one year contract have not yet settled their differences. Cities with multi-year agreements have settled for an average increase of 3.2%. Other Council Bluffs employees will receive wage increases from 2.5 to 3%. Considering the data submitted and taking into account my insurance recommendation, I recommend a 3% increase for the firefighters and a 3.5% adjustment for the Engineers and Captains effective July 1, 2005.

**Transfer Procedures** - The Association has made a proposal on Transfer Procedures which it indicates reflects current practice except for involuntary transfer to a 40 hour position. It proposes that an employee cannot be required to stay in this position more than one year or be forced into this position more than once. At the hearing the City indicated that it did not object to this concept. Last year I indicated that the parties were very close to coming to an agreement on this article. I recommend that the Association's language on Transfer Procedures be included in the contract.

**Pay Flex Cafeteria Plan 125** - I don't recommend the Association's proposal, but do recommend that the City establish a Section 125 Premium Only Plan for these employees so they can use pre-tax dollars toward their insurance premium. See Insurance recommendation.

**Squad Stipend** - The Association proposes that a new article be added which provides for extra pay for a driver and paramedic assigned to a Medic Unit. It contends that such would fairly compensate these employees for extra responsibilities. The City resists this proposal and notes that it already compensates these employees for certifications obtained. Many other cities do not. Although the cost of this proposal is fairly modest, the Association has not persuaded me that this provision should be placed in the contract. It is not recommended.



**Post Employment Health Plan** - It appears that a plan of this nature is offered by very few of the comparable cities. No employees in Council Bluffs have such a plan. The City contends that this proposal constitutes and illegal or permissive subject of bargaining and opposes its inclusion in the contract. I do not recommend the implementation of this plan in the parties' agreement.

### SUMMARY OF RECOMMENDATIONS

**Sick Leave** - Current Contract.

**Insurance** - Employees pay 5% of the health insurance premium, the City 95%. The City establish a 125 Premium Only Plan for these employees and continue to pay 100% of the dental and optical insurance for these employees and their dependents.

**Longevity** - Current Contract.

**Wages** - A 3% increase for the firefighters effective 7-1-05 and 3.5% for Engineers and Captains effective 7-1-05.

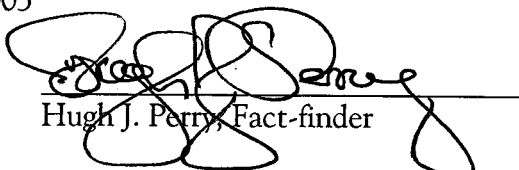
**Transfer Procedures** - The Association's language is recommended for inclusion in the contract.

**Pay Flex Cafeteria Plan 125** - Not recommended. A 125 Premium Only Plan is recommended. See Insurance recommendation.

**Squad Stipend** - Not recommended.

**Post Employment Health Plan** - Not recommended.

Signed this 2<sup>nd</sup> day of February, 2005

  
Hugh J. Perry, Fact-finder

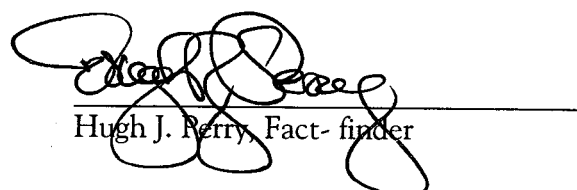
### CERTIFICATE OF SERVICE

I certify that on the 2<sup>nd</sup> day of February, 2005, I served the foregoing Fact-finding Recommendations upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

James Brick  
Attorney At Law  
550 39<sup>th</sup> Street Suite 200  
Des Moines, Iowa 50312

Rick Scofield  
Iowa Professional Firefighters  
2885 24<sup>th</sup> Ave.  
Marion, Iowa 52302

I further certify that on the 2<sup>nd</sup> day of February, 2005, I will submit these recommendations for filing by mailing them to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street Suite 1B Des Moines, Iowa 50319.

  
Hugh J. Perry, Fact-finder

## **Attachment #1:**

### **Transfer Procedures:**

Employees will have the opportunity to request a transfer to a shift position vacated due to separation from employment, transfer to a 40 hour position, or promotion. The request must be in writing within the fourteen (14) day posting period and shall state the shift, station and apparatus assignment that the employee requests to be assigned to.

Two (2) subsequent openings caused by awarding a requested transfer to an open position will also be posted, but no more than three (3) openings will be posted per separation, transfer, or promotion. The position will be posted in each station for a fourteen (14) day posting period and will state the shift, station and apparatus vacancy. If two (2) or more employees apply for the same opening, selection will be made by greatest time in rank of the employees who first meet any required special certifications or training for the position. Once the open position is filled all remaining transfer requests related to that position shall be invalid.

An employee's request for a transfer may be denied based on the position requiring a special certification or training. Examples of special certifications would include, but not be limited to Paramedic (Specialist), hazmat technician, and specialized rescue training or certification.

Vacant positions may be temporarily filled by the Fire Chief, for transfer or by reassignment of personnel with least time in rank until the open position is posted and bid upon, including those transfers needed to equally distribute employees between the three (3) shifts.

Vacant 40 hour Captain, Engineer, and Firefighter positions will be posted for employees to express, in writing, an interest in the position. The Fire Chief will give consideration to employees requesting a transfer to a 40 hour position, but reserves the right to place employees in the position other than those employees requesting a transfer, if those employee do not meet the requirements listed on the posting. If a 40 hour position needs to be filled, and no request is received, personnel with the least time in rank shall be involuntarily transferred to that position for no longer than one (1) year. Said employees shall not have been previously forced into a forty (40) hour position.

## Attachment #2.

**Post Employment Health Plan (PEHP)**—The City of Council Bluffs agrees to participate in the Post Employment Health Plan (PEHP) for Collectively Bargained Public Employees (Plan) in accordance with the terms and conditions of the Plan's Participation Agreement, a copy of which is attached to this agreement. The parties hereto designate Nationwide Retirement Solutions to act as Plan Administrator for the Plan, or its successors appointed in accordance with the Plan and Trust documents. The Employer agrees to contribute to the Plan on behalf of the following category of employees:

For the term of the Agreement, the Employer shall contribute for each Eligible Employee the amount of \$25.00 per pay period. If any contribution is an amount other than an equal dollar amount per Eligible Employee, that contribution shall be deposited in the Eligible Employee's Health Insurance Premium Reimbursement sub-account, otherwise the Employer's equal dollar contribution per Eligible Employee shall be deposited into the Eligible Employee's Universal Health Care Reimbursement sub-account pursuant to the terms and conditions of the plan.

Once an Eligible Employee has accumulated 1440 Hours of sick leave or twice the Eligible Employee's accrual rate of Vacation, the Employer shall annually contribute 100% of that Eligible Employee's sick leave or Vacation in excess of 1440 hours of sick leave and twice the employee's accrual rate of vacation to the Health Insurance Premium Reimbursement sub-account at a conversion rate of 25% of the current hourly value of sick leave or vacation.

The Employer shall at the wishes of the Eligible Employee contribute annually 100% of that Eligible Employee's Perfect Attendance pay and Clothing Allowance to the Health Insurance Premium Reimbursement sub-account at a conversion rate of 100% of Value.